

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7839

BILL NUMBER: HB 1824

DATE PREPARED: Apr 4, 2001

BILL AMENDED: Apr 3, 2001

SUBJECT: Wastewater Revolving Loan Fund.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill redefines "participant" for purposes of financial assistance agreements and the Wastewater Revolving Loan Program. The bill enables a private entity to participate in the Wastewater Revolving Loan Program in connection with a nonpoint source pollution reduction project related to a confined feeding operation, farm field runoff, or a failing sewage disposal system. The bill limits the amount from each fund available for nonpoint source pollution reduction projects. It designates the Budget Agency to manage and administer all aspects of the financial assistance programs, and directs the Budget Agency to designate the Department of Environmental Management (IDEM) to manage and administer aspects of the programs. This bill also directs the Budget Agency to fix a budget for aspects of the programs to be managed and administered by IDEM. It provides that the Budget Agency is not required to establish terms and conditions applicable to all loans or other financial assistance under the programs. The bill voids certain rules of the Water Pollution Control Board relating to the programs. The bill also makes conforming amendments.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) *Background.* Currently, political subdivisions can apply for loans or other financial assistance from the Drinking Water Fund, the Wastewater Assistance Fund, or the Supplemental Fund to fund improvements associated with public water systems and for wastewater or storm water collection and treatment systems. This bill permits the Budget Agency to make loans for nonpoint source pollution reduction projects and allows for private entities to apply for loans from the Wastewater Assistance or Supplemental Funds.

State Revolving Fund loans completed for publicly owned wastewater and drinking water projects have equaled \$859,700,617 (as of April 2001).

The Water Pollution Control Board and the Budget Agency must amend certain rules. Legislative Services Agency would be required to void certain rules. These agencies should be able to absorb any additional

expenditures associated with this provision given their current budgets.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) Providing that the fund may be used by participants for additional projects could affect revenue available for projects currently allowed political subdivisions.

State Agencies Affected: Budget Agency, IDEM, Legislative Services Agency.

Local Agencies Affected: Political Subdivisions.

Information Sources: Rich Emery, State Budget Agency, 232-0759.